Healthcare Finance Group

Overview of Financing Process

United Hospital Center

West Virginia United Health System

March 22, 2005

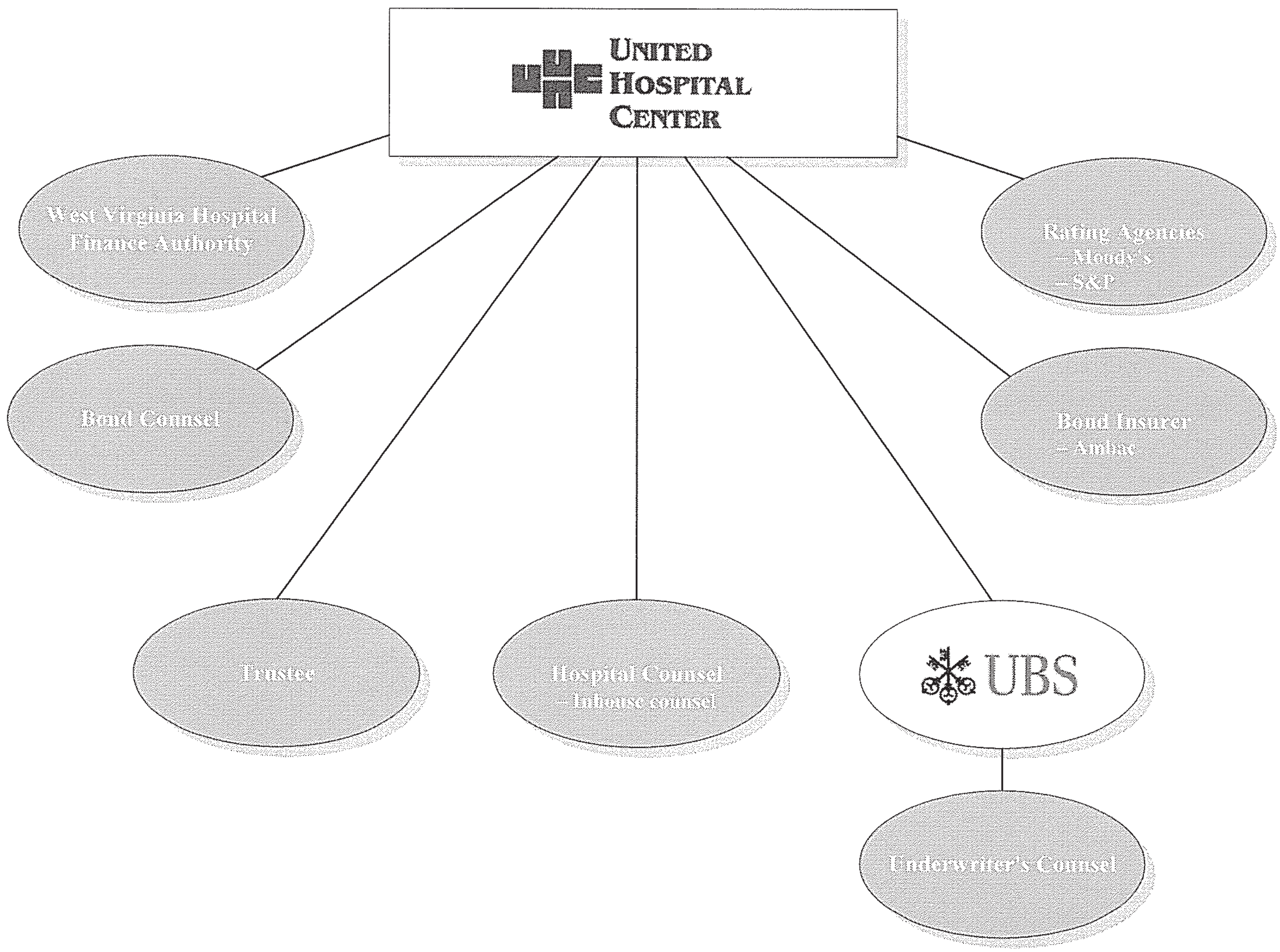
UBS

EXHIBIT C

Agenda

Key Considerations of the Financing Process

A team of experienced professionals will work closely with WVUHS and UHC Management to structure and execute the upcoming financing



Bond Insurance is a major determinant of UHC's cost of capital

- In conjunction with its Series 2005A and 2005B financing in January 2005, WVUHS secured a forward commitment from Ambac, a AAA-rated bond insurer, for the upcoming UHC transaction
- Investors will look to Ambac's AAA-rated financial guaranty as their ultimate security
  - The WVUH Obligated Group itself maintains underlying ratings of "A+" from Standard & Poor's and "A1" from Moody's
  - The WVUH Obligated Group's ratings will be updated prior to bond issuance
- UHC will join the WVUH Obligated Group upon the issuance of the Series 2005C Bonds
  - Obligated Group members also include WVUH, City Hospital, Jefferson Memorial Hospital and City Hospital Foundation
  - An Obligated Group creates a "combined" credit; each member of the Obligated Group guarantees each other's debt
- With insurance, UHC will be able to pursue a broad spectrum of financing vehicles for its financing, which will lower its cost of capital
- The timing of the financing is predicated on the resolution of UHC's appeal to the West Virginia Supreme Court

With bond insurance, UHC will enjoy access to *the widest possible* range of financing options

	Uninsured	"AAA" Bond Insurance
Natural fixed rate debt	✓	✓
Variable rate demand bonds ("VRDBs")	✓	✓
Auction rate certificate ("ARCs")	—	✓
Synthetic fixed rate debt	—	✓

Ambac's required business covenants are typical of what the credit markets have come to expect from healthcare issuers

Item	Ambac Test
Gross revenue pledge	Gross revenue pledge in place at all times. Implement "lock box" upon event of default
Permitted liens	15% of plant, property and equipment
Rate covenant	Annual income available for debt service of at least 1.10 times maximum annual debt service
Debt service reserve fund	Not required to be funded upon issuance. Must be funded in the event that coverage falls below 2.0x and liquidity falls below 175 days
Capitalization test	Maintain ongoing debt to capitalization below 67%
Transfer of assets	Limit to 10% of unrestricted cash and investments, and must have 90 days' cash after transfer

- Not funding a DSRF reduces required borrowing by approximately $14 million
- Tests are conducted on combined Obligated Group results, not individually

There are several key decisions to be made in developing the optimal financing plan for UHC

- Desired variable-to-fixed rate exposure
  - — Rating agencies believe 20-40 percent variable rate debt is prudent
  - — WVUHS has set a goal of obtaining 35% aggregate variable rate exposure, and currently maintains 32%
- Preferred cash flow structure and debt amortization
  - — Consider refinancing of outstanding debt
- Potential use of financial derivatives
  - — Reduces all-in interest cost by 75 – 90 basis points in the current market
  - — Offers mechanisms to hedge interest rates during transaction preparation
- Size of UHC equity contribution to project
  - — Trade-off between cash and debt

Funding the $219 million construction total will require $180 million of bonds and results in $240 million total project costs

($ in thousands)

Sources of Funds	
Bond principal	$ 180,905
Equity contribution	60,000
Total sources	$ 240,905

Uses of Funds	
Construction costs	$ 219,000
Capitalized interest	12,812
Cost of issuance	2,714
Bond insurance	6,379
Total uses	$ 240,905

It will take approximately three months to complete UHC's financing once all approvals are in place and the financing can proceed

Month	Activity
One	▪ Finalize projections for replacement hospital ▪ Board meeting to review project and plan of finance ▪ Draft #1 of bond and offering documents ▪ Rating agency and bond insurer site visits or conference calls ▪ First notice of public hearing for Issuer
Two	▪ Draft #2 of bond and offering documents ▪ Second notice of public hearing for Issuer ▪ Publish TEFRA notice ▪ Finalize ratings ▪ Public hearing with Issuer and adoption of Inducement Resolution
Three	▪ Hold TEFRA hearing ▪ Complete due diligence ▪ Finalize bond and offering documents ▪ Issuer approval ▪ Print and mail POS ▪ Pricing; sign BPA ▪ Close Series 2005C bonds

Overview of UHC

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UHC brings a strong financial position to the WVUH Obligated Group

	Years ended December 31,			S&P	Moody's
	2002	2003	2004	"A+"	"A1"
Profitability Ratios					
Operating margin (%)	1.9	0.7	2.5	3.1	3.3
Profit (excess) margin (%)	4.5	4.2	4.9	5.1	4.3
EBIDA margin (%)	11.7	11.4	11.7	–	11.4
Liquidity Ratios					
Cash on hand (days) (1)	269.8	261.7	253.6	174.6	180.0
Cushion ratio (x)	28.9	29.6	31.6	14.8	14.3
Accounts receivable (days)	47.0	47.9	47.6	51.6	51.9
Leverage Ratios					
MADS coverage (x)	5.1	5.3	6.0	4.6	4.0
Debt to capitalization (%)	16.9	14.5	12.1	39.4	36.2
Cash-to-debt (%)	300.2	347.0	424.6	114.6	118.3

Note: Assumes maximum annual debt service of $3.6 million.

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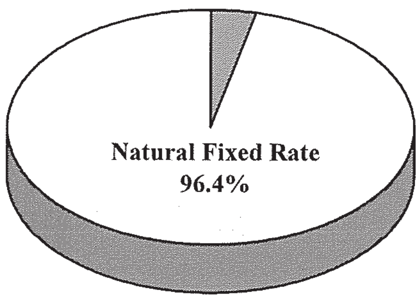
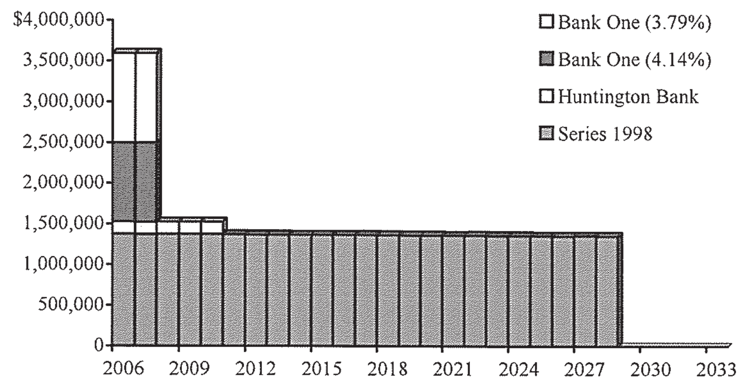
UHC currently has a modest amount of long-term debt

Debt Mix



Weighted average cost of capital: 4.70%

Aggregate Debt Service



Aggregate MADS: $3.6 million

($ in thousands)

Debt Issue	Principal Outstanding [(1)]	Interest Mode	Average Rate	Final Maturity	Average Life	Credit Enhancement	Advance Refundable	Callable
Series 1998 Bonds	$ 18,360	Fixed	5.14%	2028	13.9	Ambac	Yes	4/1/2008 @ 102
Huntington Bank note	1,039	Variable	3.74	2011		–	–	Any time @ 100
Bank One line of credit	4,392	Fixed	4.14	2006		–	–	Any time @ 100
Bank One term loan	5,000	Fixed	3.79	2007		–	–	Any time @ 100
Total	**$ 28,791**							

(1) Expected as of July 1, 2005.

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Consolidated financial ratios for WVUHS are similarly strong

	Years ended December 31,			S&P	Moody's
	2002	2003	2004	"A+"	"A1"
Profitability Ratios					
Operating margin (%)	1.4	1.2	2.7	3.1	3.3
Profit (excess) margin (%)	1.2	3.1	7.1	5.1	4.3
EBIDA margin (%)	8.9	10.7	13.4	–	11.4
Liquidity Ratios					
Cash on hand (days)	234.0	241.2	249.1	174.6	180.0
Cushion ratio (x)	15.2	17.1	19.9	14.8	14.3
Accounts receivable (days)	58.3	55.3	50.6	51.6	51.9
Leverage Ratios					
MADS coverage (x)	2.7	3.6	5.2	4.6	4.0
Debt to capitalization (%)	25.7	31.7	28.9	39.4	36.2
Cash-to-debt (%)	191.3	145.8	176.2	114.6	118.3

Note: Assumes maximum annual debt service of $15.5 million. Includes UHC; does not include WVUH-East.

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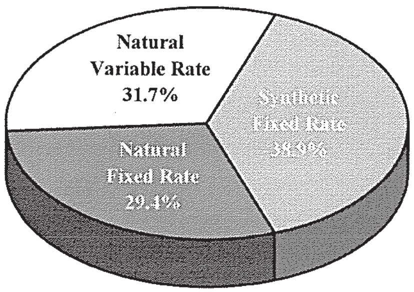
WVUHS currently has $261 million of long term debt and a diverse capital structure

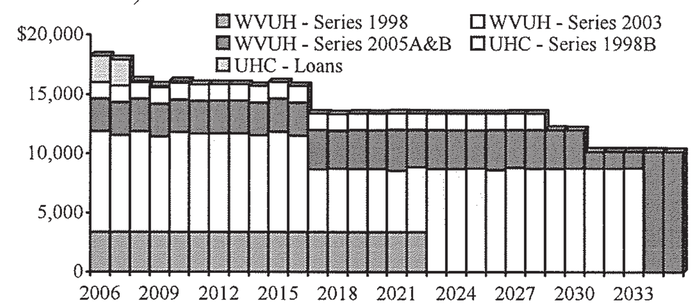
Debt Mix



Weighted average cost of capital: 3.63%

Aggregate Debt Service

($ in thousands)



Aggregate MADS: $18.2 million

($ in thousands)

Debt Issue	Principal Outstanding	Interest Mode	Average Rate	Final Maturity	Average Life	Credit Enhancement	Advance Refundability	Call Provisions
WVUH								
Series 1998	$ 38,670	Fixed	3.87	2022	9.6	Ambac	Partially	12/01/08 @ 100%
Series 2003A	9,255	Fixed	3.99	2010	2.5	FSA	No	Non-callable
Series 2003B	33,985	Synth Fixed	3.55	2016	8.5	FSA	–	Any time @ 100
Series 2003C	44,650	Synth Fixed	3.99	2033	21.0	FSA	–	Any time @ 100
Series 2003D	45,750	Variable	–	2033	23.1	FSA	–	Any time @ 100
Series 2005A	30,645	Variable	–	2035	26.7	Insured	–	Any time @ 100
Series 2005B	29,435	Synth Fixed/Var	–	2030	14.8	Insured	–	Any time @ 100
UHC								
Series 1998B	18,360	Fixed	5.14	2028	13.9	Ambac	Yes	4/1/08 @ 102%
Loans	10,431	Fixed/Var	3.93	–	–	–	–	Any time @ 100
Total	**$ 261,101**							

(1) Expected as of July 1, 2005.

Market Update

UNITED HOSPITAL CENTER

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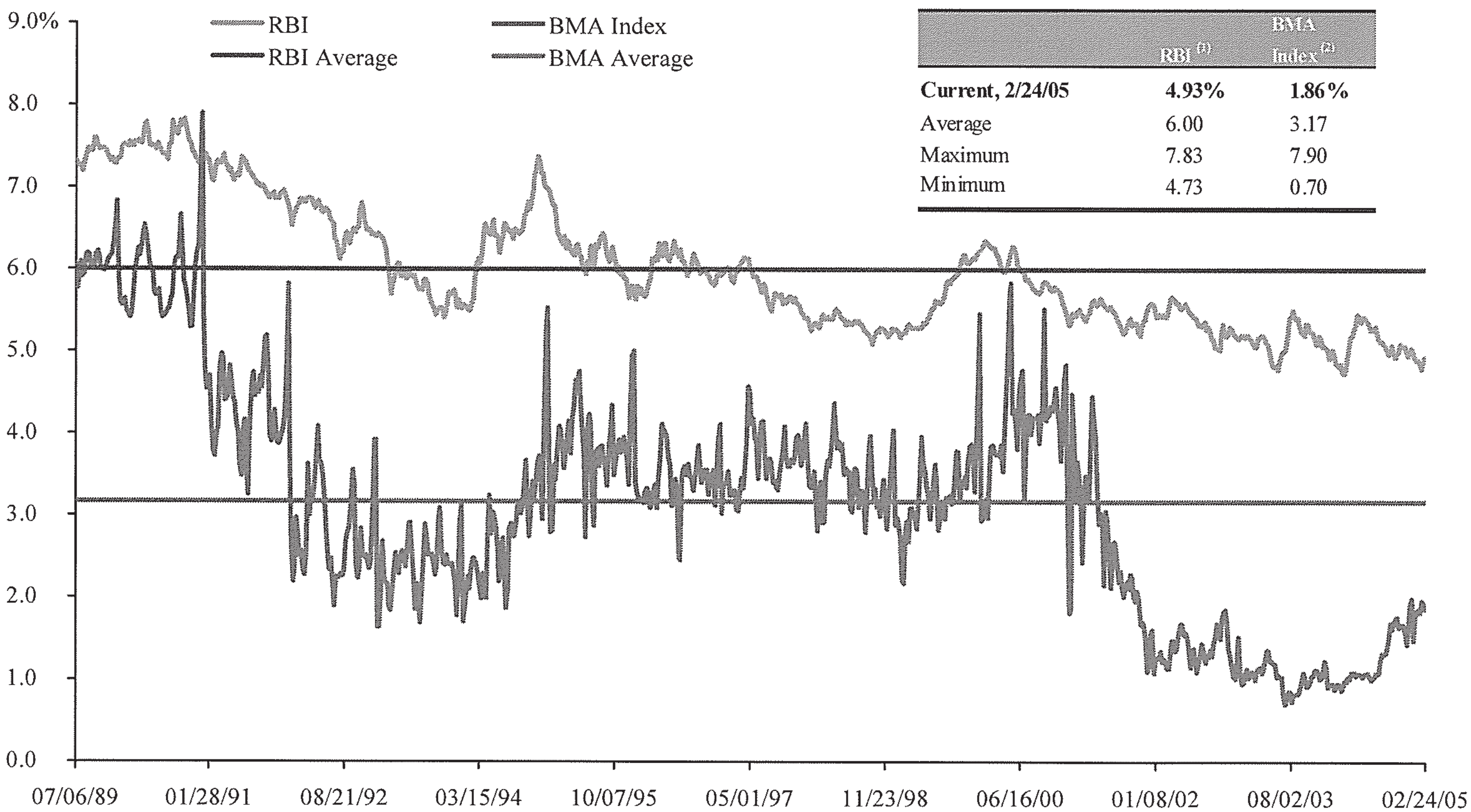
Despite recent volatility, both long-term and short-term interest rates remain near historical lows



	RBI (1)	BMA Index (2)
Current, 2/24/05	**4.93%**	**1.86%**
Average	6.00	3.17
Maximum	7.83	7.90
Minimum	4.73	0.70

Note: For illustration purposes only; actual rates will depend on future market conditions, which may vary.

(1) The Revenue Bond Index (RBI) is based on 30-year bonds issued by 25 different revenue bond issuers for a variety of purposes including housing, transportation, hospitals and pollution control. The RBI is widely used as a benchmark for long-term revenue bonds.

(2) The Bond Market Association (BMA) Municipal Swap Index is a 7-day high grade market index comprised of tax-exempt VRDOs.

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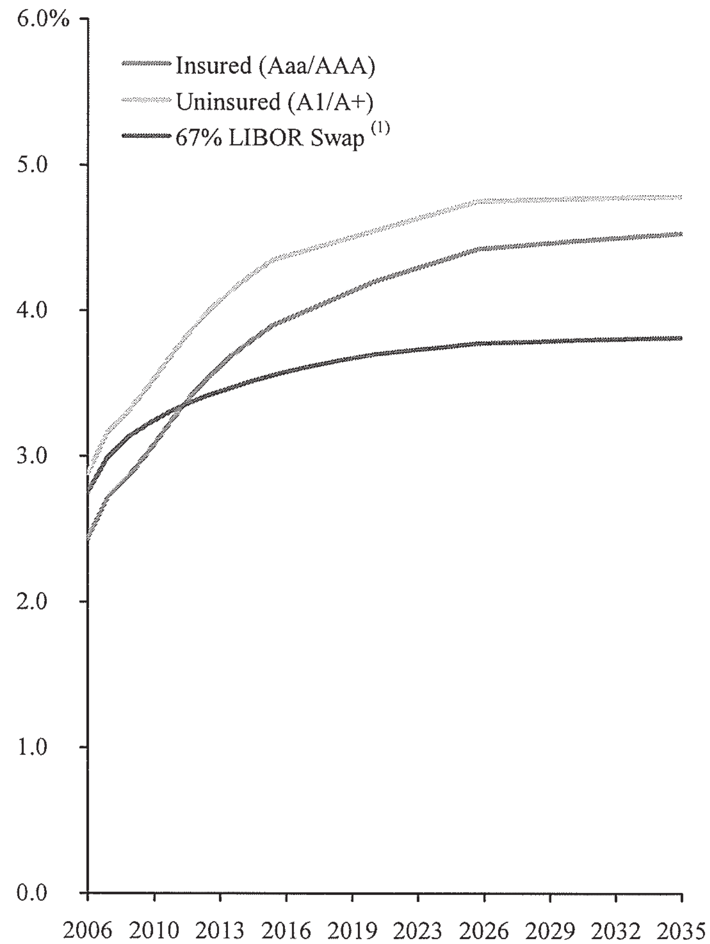
Current market healthcare fixed rates — March 3, 2005

Maturity	Insured (Aaa/AAA)	Uninsured (A1/A+)	67% LIBOR Swap[1]
2006	2.43%	2.88%	2.75%
2007	2.72	3.17	3.00
2008	2.86	3.31	3.13
2009	3.04	3.49	3.23
2010	3.23	3.68	3.31
2011	3.41	3.86	3.37
2012	3.56	4.01	3.42
2013	3.69	4.14	3.47
2014	3.80	4.25	3.52
2015	3.90	4.35	3.56
2016			3.59
2017			3.62
2018			3.65
2019			3.67
2020	4.20		3.70
2021			3.71
2022			3.73
2023			3.74
2024			3.76
2025	4.42	4.75	3.77
2026			3.78
2027			3.78
2028			3.79
2029			3.79
2030	4.48	4.77	3.80
2031			3.80
2032			3.80
2033			3.81
2034			3.81
2035	4.53	4.78	3.81



Note: For illustration purposes only; actual rates will depend on future market conditions, which may vary.
(1) Includes 0.26% ARCs support costs.

Financing Alternatives